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CHAPTER 12. HUD REVIEW OF LUHA PERFORMANCE

12-1. PURPOSE

At least once each fiscal year the Urban Homesteading Coordinator, with the assistance of other CPD staff, as necessary (CPD Representative, Financial Specialist, or Rehabilitation Specialist) shall review the performance of each LUHA not closed out. Other HUD staff (Fair Housing and Equal Opportunity, Counsel, Housing, etc.), may be consulted and assist, as necessary, in reviewing the performance of the LUHA.

The review shall determine whether the LUHA has a continuing legal and administrative capacity to carry out the homesteading program in a timely and cost effective manner and meets the other performance review standards in 24 CFR 590.29. The LUHA must be:

- A. complying with the Urban Homesteading Program Participation Agreement and Certifications, the Act, the Urban Homesteading Program regulations at 24 CFR Part 590, this Handbook and other applicable Federal laws and regulations;
- B. carrying out the program substantially as approved by HUD in its application and any subsequent amendments;
- C. selecting federally-owned properties that are suitable for homesteading and rehabilitation as required by 24 CFR 590.7(b)(1);
- D. making reasonable progress in moving properties through the stages of the homesteading process, including acquisition, homesteader selection, and conditional conveyance, without making an unreasonable number of requests for alternative uses of properties selected, or for extensions of the time periods specified in 24 CFR 590.17(a)(2)(ii) or (c)(1); and
- E. making reasonable efforts to insure that improvements in neighborhood public facilities and services in homestead target neighborhoods which the LUHA proposed in its plan for a coordinated approach to neighborhood improvement in 24 CFR Part 590.7(a) are occurring on a timely basis.

12-2. TYPE OF REVIEW

The annual performance review will be conducted in house for each LUHA with an executed Urban Homesteading Participation Agreement in effect unless the LUHA is identified for an on-sight monitoring review under the risk-analysis monitoring system. Under this system, the Urban Homesteading Coordinator should identify LUHAs based on their

program complexity, local capacity, recent problems, and past monitoring. Under this system, priority should be given to reviewing staff capacity and compliance with program procedures of new LUHAs and to look at LUHAs with serious problems.

The Guide for Limited Monitoring Review appears in CPD Monitoring Handbook, 6509.2 REV-4, Chapter 6. Exhibit 6-3. The Guide for In-Depth Monitoring of Local Urban Homesteading Programs is contained in Appendix 24 of this Handbook. While use of either of these guides is not mandated, the reviewer must address all of the same issues and retain comparable documentation to that called for in the applicable guide when undertaking either limited or in-depth monitoring.

The Field Office must consider all available facts and data, which may include:

- A. UHPMIS Quarterly Property and Progress Reports;
- B. records maintained by the LUHA;
- C. results of HUD's monitoring of the LUHA's performance;
- D. audit reports, whether conducted by the LUHA or by HUD auditors;
- E. records of comments and complaints by citizens and organizations; and
- F. litigation history.

If other than an on-site review is conducted, the Field Office must be reasonably sure that the LUHA's program is in compliance with all elements identified in paragraph 12-1. A copy of the monitoring letter shall be sent to the Director, Urban Homesteading Program, Office of Urban Rehabilitation, Headquarters.

#### 12-3. FAIR HOUSING AND EQUAL OPPORTUNITY REQUIREMENTS

Whether the monitoring review is conducted on-site or in-house, the FHEO Specialist shall review the affirmative marketing practices of the LUHA including the advertising and other marketing requirements of Chapter 3, paragraph 3-1 E, as well as policies, practices and procedures for eligible homesteader selection of property and/or the method used to assign properties to homesteaders. Homesteader selection methods must also be monitored to ensure that the LUHA is complying with the authorities cited in 24 CFR 590.11(d)(5). Information for this purpose may be obtained from the Urban Homesteading Program Management Information System (UHPMIS) Quarterly Property and Progress Reports or locality records. In addition, the form of deed or lease used by the LUHA for the transfer of homesteading properties must be reviewed to ensure that a covenant runs with the land in accordance with Chapter 3, paragraph 3-1F of

this Handbook, and paragraph 9 of the Urban Homesteading Agreement, HUD-40051. Materials may be requested from the LUHA when an in-house review is conducted.

12-4. FLOOD INSURANCE PURCHASE REQUIREMENTS

Monitoring for compliance with the Flood insurance purchase responsibility required by the Flood Disaster Protection Act will be conducted in accordance with Exhibit 12-1 and Chapter 12 (Section 1) of HUD Handbook 6509.2 REV 4, Community Planning and Development Monitoring Handbook.

12-5. ANNUAL REVIEW OF CLOSED-OUT PROGRAMS

The Urban Homesteading Coordinator shall have the responsibility for reviewing closed-out programs to determine compliance with conditions imposed under the initial letter of completion. This will involve, at a minimum, a yearly in-house review until the last Section 810 property is conveyed in fee simple to a homesteader, or HUD has approved an alternative use for the property and the LUHA has implemented it. The HUD Office shall address any noncompliance and apply corrective and remedial action, as appropriate, in accordance with Chapter 13 of this Handbook.